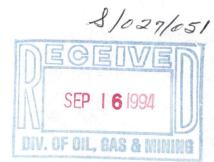


Michael O. Leavitt Governor Dianne R. Nielson, Ph.D. Executive Director Don A. Ostler, P.E.

State of Utah

DEPARTMENT OF ENVIRONMENTAL QUALITY DIVISION OF WATER QUALITY

288 North 1460 West P.O. Box 144870 Salt Lake City, Utah 84114-4870 (801) 538-6146 (801) 538-6016 Fax (801) 536-4414 T.D.D.



September 14, 1994

Natural Resource Holding Co. 230 South 500 East No. 150 Salt Lake City, Utah 84102

Re: Gold Mine UTU-070654 Millard County

Gentlemen:

We have reviewed a copy of the Notice of Plan of Operations which was submitted to the Bureau of Land Management. We received a copy of the notice from the Bureau of Land Management on July 27, 1994.

The plan we received describes gold mining and extracting gold from the black sand using a mercury retort process incorporating an amalgamator. The excess mercury will be placed in a sealed heat retard for recovery. It is anticipated that no mercury will be discharged into the soil, water or atmosphere.

We need to receive the following information in detail to continue our review:

- 1. Site and vicinity or location plan.
- 2. A detailed description of the process facility.
- 3. A description of all chemicals that will be used in the process and information regarding concentration, quantity, storage, transport, generation and disposal of these chemicals.
- 4. A description and size of impoundments if proposed and how they are to lined to prevent or reduce leakage.
- 5. The amount of ore that will be processed per day and per year.
- 6. The total amount of chemicals that will be used per day and per year.

Natural Resources Holding Co. September 14, 1994 Page 2

7. Location and name of water courses that would be impacted or threatened by the operation.

Following our review of the proposed facility, we will advise you whether you will need a ground water, discharge, and/or construction permits. The permits must be issued before you can begin construction of a process facility.

If we can be of further assistance, please contact me or Mr. Lyle Stott of my staff.

Sincerely,

Kiran L. Bhayani, P.E., D.EE., Manager

Design Evaluation Section

KB:LWS:rvg

cc: Division of Oil, Gas and Mining

Rex Rowley - Bureau of Land Management

NNRH-COMP.109: FILE:BLM